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GAIL GRIFFIN
STATE REPRESENTATIVE, DISTRICT 14

CAPITOL COMPLEX, HOUSE BUILDING
1700 WEST WASHINGTON
PHOENIX, ARIZONA 85007-2890
(602) 926-5895
TOLL FREE: 1-800-352-8404

E-MAIL: ggriffin@azleg.gov

COMMITTEES:

NATURAL RESOURCES, ENERGY AND
WATER, CHAIR

LAND, AGRICULTURE, AND RURAL AFFAIRS

Arizona House of Representatives

Phoenix, Arizona 85007

July 6th, 2021

Arizona Corporation Commission

DOCKETED

JUL - 7 2021

DOCKETED BY

km

Matthew J. Neubert
Executive Director
Arizona Corporation Commission
1300 W. Washington St.
Phoenix, AZ 85007

Dear Mr. Neubert,

Representatives from the Arizona House of Representatives are in receipt of your June 11, 2021 letter soliciting comments on the impacts of the closures of fossil-based generation plants on Impacted Communities, as directed in Arizona Corporation Commission Decision # 77856, dated 12/31/2021, from the most recent Tucson Electric Power rate case. This decision, as you are aware, required Commission Staff to provide the Commission with a recommendation on possible solutions to the negative impacts of the closures of fossil-based generation plants on Impacted Communities, by May 29, 2021. The Commission sent a letter to the Governor's Office seeking comments on March 5, 2021. Just prior to the May 29, 2021 deadline, an extension of time for providing the recommendation to the Commission was granted on May 18, 2021 with new recommendation date of July 28, 2021.

Curiously, it took until June 11, 2021 for a letter to be sent to State Legislator's seeking their input, giving them only a few weeks to respond. Further, noticeably absent are any questions asking for solutions to address the impacts of the closure of fossil-based generation plant closings. The only questions asked of the State Legislature and the Governor are related to actions the State Legislature or Governor has or will be taking. This begs a serious question, does the Arizona Corporation Commission really want responses to the problem, or were these last-minute questions simply an exercise by Commission staff to check the box?

Regarding the questions posed to Legislator's, to be clear, the Legislature has not and is not currently developing, drafting, or considering legislation to assist communities impacted by the closure of fossil-based generation. However, there is very important missing context contained in these questions. Unlike the Commission, the Legislature has taken no action that would adversely affect fossil-based generation in the state. There doesn't appear to be any attempt by the Arizona Corporation Commission to consult or collaborate on any legislation or Commission rule, governing or regulating fossil-based generation. In fact, earlier this year, more than one Commissioner actively lobbied against legislation being proposed, governing fossil-based generation, going so far as inappropriately reaching out to the state's regulated electric utilities, asking them to oppose the legislation, many of which have active rate cases and other proceedings before the Commission.

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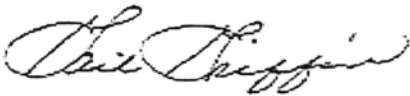
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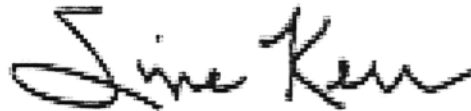
One would think that the regulating entity who is implementing legally questionable policies, intentionally compromising fossil-based generation resources, would have undertaken an analysis of the economic impact and included provisions to protect the Impacted Communities. This oversight appears to mirror the same process the Commission undertook to develop the recent energy rules, as was outlined in the February 17, 2021 letter from Arizona's legislative leadership. Considering the recent court case and discussions related to the Commission's constitutional and legislatively delegated authority, it is questionable whether the Commission has the authority to implement payments to affected communities, like those proposed in the most recent Tucson Electric Power and Arizona Public Service rate cases.

Since this topic is of statewide importance, and the reach of the Corporation Commission is not as far reaching, with respect to electric service throughout the State, the Legislature appears to be the appropriate authority to set these types of policies, with statewide applicability. As such, we, as members of the Legislature, request the Commission provide a response to the Legislature detailing the Commission's authority to implement the existing Renewable Energy Standard, the pending energy rules, and the Commission's desire to implement solutions to mitigate the impact of closures of fossil-based generation plants on Impacted Communities, in light of the recent Johnson Utilities Supreme Court case. We request this response by July 28, 2021.

Respectfully,



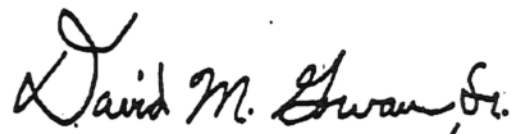
State Representative Gail Griffin
Chairman, Natural Resources, Energy, and Water
Legislative District 14



State Senator Sine Kerr
Chairman, Natural Resources, Energy, and Water
Legislative District 13



State Representative Leo Biasiucci
Majority Whip
Legislative District 5



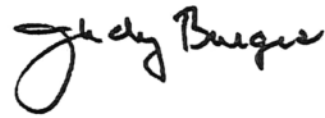
Senator David Gowan
Legislative District 14



State Senator Kelly Townsend
Legislative District 16



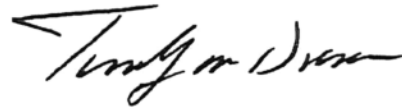
State Representative Shawna Bolick
Legislative District 20



State Representative Judy Burges
Legislative District 1



State Representative David Cook
Legislative District 8



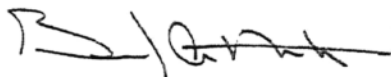
State Representative Tim Dunn
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Legislative District 11



State Representative John Kavanagh
Legislative District 23



State Representative Becky Nutt
Legislative District 14



State Representative Kevin Payne
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